

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Milwaukee Water Works,
Milwaukee County, Wisconsin, for
Authority to Increase Water Rates

3720-WR-107

Prehearing Conference

Prehearing Conference Held:

March 17, 2010

Pages

1 to 10, Incl.

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1 BEFORE THE

2 PUBLIC SERVICE COMMISSION OF WISCONSIN

3
4 Application of Milwaukee Water Works,)
5 Milwaukee County, Wisconsin, for) 3720-WR-107
6 Authority to Increase Water Rates)

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8 Prehearing conference was held March 17, 2010,
9 at 10 am in the Public Service Commission Office
10 Building, Madison.

11
12 Presiding: ADMINISTRATIVE LAW JUDGE NEWMARK

13
14 ALJ NEWMARK: Good morning everyone. I would
15 like to call to order the prehearing in docket
16 3720-WR-107, the application of Milwaukee Water Works
17 for authority to increase water rates.

18 Let's go off the record.

19 (Discussion off the record)

20 ALJ NEWMARK: Back on the record.

21 This is a prehearing conference, and you have
22 seen -- I hope it was distributed to you -- the
23 prehearing conference memo, a draft version, with a
24 listing of the parties we currently identified,
25 potential issues as were identified by staff, and

1 numbering assignments for page numbers and other
2 general facilitating matters relating to filing
3 motions, things like that.

4 First thing we do at a prehearing is make sure
5 we have all the parties in place, and I believe the
6 memo reflects all of the parties, except for the
7 Village of Butler. Is that correct?

8 MR. KOBZA: Yes.

9 ALJ NEWMARK: Is there any objection to the
10 Village of Butler intervening?

11 Hearing none, we'll add the Village of Butler to
12 the Service List, and I just have a quick question for
13 you, ma'am. How do you pronounce your last name again?
14 I'm sorry.

15 MS. KOBZA: Kobza.

16 ALJ NEWMARK: Kobza. I was just curious, are
17 the intervenors, the utility intervenors interested in
18 consolidating their filings into one presentation or each
19 utility do you expect will be filing their own material?

20 MS. KOBZA: I think a final decision hasn't been
21 made on that yet. That will be up to them.

22 ALJ NEWMARK: All right. So the prehearing
23 conference memo that I'll issue will add the Village of
24 Butler. I think we will substitute for the Commission
25 staff the Village of Butler and add them at number 10 --

1 I'm sorry, or add them as D11 and the Commission will be
2 D12.

3 If the utility decides to combine their
4 testimony if you wouldn't mind using the City of Mequon's
5 number D2.

6 MR. MARION: Your Honor, if now is appropriate,
7 could I be heard on that? The applicant would request
8 that the municipal utilities consolidate their cases. I
9 think, unless Ms. Kobza can explain why their positions
10 would be different, I think it's really an unfair burden
11 to Milwaukee to respond to multiple briefs and probably
12 inconvenient for everyone else -- not briefs, but
13 testimony.

14 ALJ NEWMARK: I see. Do you have any response?

15 MS. KOBZA: Yes, I have been retained for
16 purposes of this prehearing conference and each of the
17 communities have retained the right to present their own
18 case. They haven't retained me to represent them on the
19 entire proceeding yet. So that's really an issue that
20 would have to go back to each of the political bodies. I
21 can't make that decision, just as the utility managers
22 that are here today can't make that decision.

23 ALJ NEWMARK: I am going to deny that request.
24 It's really difficult to determine what the utility
25 positions will be at this point in time. If there is

1 unique testimony, let it be reflected in each utility
2 filing. If the testimony is very similar, then I believe
3 responding would be fairly simple to do.

4 Okay. In terms of issues, I believe I received
5 the issues from staff. Do we have any modifications or
6 counter proposals? Go ahead.

7 MR. LUDWIG: Talking with Milwaukee Water Works,
8 it looks as though issue number six can be dropped.

9 There has been some resolution between Clean
10 Wisconsin, whose representative isn't here today, and the
11 city, and I believe the filing that Clean Wisconsin and
12 Milwaukee Water Works put on ERF yesterday resolves this
13 issue.

14 ALJ NEWMARK: Okay.

15 MR. LUDWIG: That's my understanding.

16 ALJ NEWMARK: Any comments?

17 MR. MARION: That's our understanding. That
18 issue was raised by Clean Wisconsin, and we have resolved
19 it. That issue probably should be dropped.

20 MR. KOBZA: We have no objection.

21 ALJ NEWMARK: All right. We will eliminate it.
22 Just to be sure, I think that's labeled Roman numeral V,
23 so that reads, are the demand reduction and supply side
24 measures that the applicant is proposing sufficient to
25 promote efficient water use?

1 Is that the issue?

2 MR. LUDWIG: Yes, it is.

3 ALJ NEWMARK: Okay.

4 All right. Next is the schedule. There had
5 been some discussion here before the prehearing. That's
6 why we started a little late. I appreciate everyone
7 working on that. Do we have a proposal for the schedule?

8 MR. LUDWIG: Yes. At this point, Commission
9 staff hasn't produced the cost-of-service study or rate
10 design for the parties to examine, but it looks as though
11 we'll be able to do that around April 1, so coming up in
12 a couple of weeks.

13 We're willing to distribute that as soon as
14 we're done working on that even though we won't have
15 testimony available. So I've told Lawrie and the
16 attorneys for Milwaukee Water Works to assume we'll
17 prepare and distribute the cost-of-service study and rate
18 design on or about April 1.

19 At that point, the parties can take a look at
20 what we put together and make a decision about whether
21 the time line for filing testimony is adequate or not.
22 At this point, we're assuming it is adequate, but if
23 they're surprised by what we produce, they may change
24 their mind at that point.

25 So with some minor alterations, the schedule

1 that Commission staff sent out we're willing tentatively
2 to agree on. Here are the minor alterations.

3 Hearing dates, we've agreed to push back so it
4 starts on Thursday, May 20, instead of starting Tuesday,
5 May 18, with the possibility it might extend to Friday,
6 May 21. The Commission staff preference if it extends to
7 Friday, May 21, is to hold the remainder of the hearing
8 here in Madison. We can talk to the parties and see if
9 that's acceptable.

10 The other change then is the surrebuttal date
11 for filing testimony would move from Friday, May 14, to
12 Monday, May 17, at 4:30 p.m.

13 And Attorney Kobza wants to reserve the option
14 to ask for another prehearing and raise an argument that
15 we need to change the filing dates and hearing date after
16 she sees the material that staff initially hands out.

17 ALJ NEWMARK: We will check that hearing date.

18 Okay. I would like to query the group if the
19 19th and 20th would be a possibility for the hearings,
20 move it up one day.

21 MR. MARION: That's fine with the applicant.

22 ALJ NEWMARK: Okay.

23 MS. KOBZA: The only question I have on that is
24 the surrebuttal testimony on May 17.

25 One issue I raised before, I do have a conflict

1 on the 18th. If I get it on the 17th and we're doing the
2 hearing on the 19th.

3 MR. LUDWIG: What would be a preferable date for
4 filing surrebuttal -- Monday morning or Friday afternoon
5 at noon?

6 MS. BURKE: If I might, we really don't think
7 the 7th to the 14th is enough time for us to provide
8 surrebuttal if they're not consolidating filings. We
9 would be willing to move the date of the hearing and
10 delay the hearing in order to have enough time to respond
11 to the prefiled testimony.

12 ALJ NEWMARK: Okay. Any counter proposal for
13 that or comments on that?

14 MR. LUDWIG: The week following Friday, May 21,
15 the next two weeks are a problem for me. So we would
16 have to push it three weeks.

17 ALJ NEWMARK: Hearing calendar is clear if there
18 is no objection to pushing it back. That would be the
19 week of June 7.

20 MR. LUDWIG: Right.

21 ALJ NEWMARK: Would that work?

22 All right.

23 MR. KOBZA: June 7 works. That week works for
24 me.

25 MR. LUDWIG: Can we do it on Wednesday, June 9?

1 I will be returning to Wisconsin on June 7 -- on June 6.

2 ALJ NEWMARK: Okay. Sure, that will work,
3 June 9, possibly June 10.

4 Let's go off the record.

5 (Discussion off the record)

6 ALJ NEWMARK: Let's go back on the record.

7 We have had some discussion about the schedule
8 and some changes to the draft prehearing memorandum.

9 First of all, direct testimony will remain the
10 same date, April 23.

11 Rebuttal will be filed on May 14.

12 Surrebuttal, June 3, and the hearing, June 9,
13 possibly the 10th.

14 Let's go off the record.

15 (Discussion off the record)

16 ALJ NEWMARK: Let's get on the record.

17 We have had a discussion of the hearing time.
18 We will have the party session, technical evidence taken
19 at 10 am in Milwaukee and two public sessions, 3 pm and
20 7 pm, and just be forewarned, to accommodate staff, we
21 will try to be efficiently taking the technical testimony
22 on the 9th and possibly go late in that day to accumulate
23 just everyone's logistics, traveling into Milwaukee. I
24 guess I -- the way I would put it is the technical
25 session may continue as appropriate during the day. We

1 can take public testimony at 3 and we can then continue
2 on with technical testimony.

3 Anything else?

4 Is there a location? Does the city have I'm
5 assuming a room?

6 MS. BURKE: We will have a room.

7 MR. MARION: We'll get that information to
8 Ms. Felic as soon as possible for the notice.

9 ALJ NEWMARK: All right. Any other issues?

10 I guess I'd like to get a preliminary idea about
11 briefing. I'm assuming parties are interested in
12 briefing. We will have two rounds, simultaneous. Really
13 too early to tell in terms of schedule. I don't think
14 there is really a set deadline for decision so we don't
15 need to set any kind of preliminary date for that. Does
16 anyone want to do that?

17 MR. MARION: Your Honor, if I may, one more
18 thing just came to mind. Has the Commission decided
19 whether or not the Commissioners will make this decision
20 or will --

21 ALJ NEWMARK: I am not aware of any.

22 MR. MARION: So it's possible that the
23 Administrator will make it or the Commission?

24 ALJ NEWMARK: Anything is possible. I wouldn't
25 know one way or another.

1 MR. MARION: Okay. Thank you.

2 ALJ NEWMARK: All right. Sounds like we have
3 everything done for the prehearing. Let me mention I
4 don't think we put this on the record in terms of the
5 schedule, staff will make best efforts to have the
6 cost-of-service study and rate design shared with the
7 parties about April 1, and the utility intervenors -- I
8 am going to call you guys -- will be able to move for
9 change in schedule depending on what staff finds in that
10 filing or Milwaukee as well. So just be aware that a
11 second prehearing conference is a possibility.

12 All right. With that, we're going to adjourn.

13 VOICES: Thank you.

14 (Prehearing conference closed)

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25 March 19, 2010

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN
Docket No. 3720-WR-107
Prehearing Conference

I, Adela F. Felic, hereby certify that, as an official reporter for the Public Service Commission of Wisconsin, I took down the testimony and proceedings had before the Commission in the foregoing matter on the 17th day of March, 2010, and that the attached is a true and correct transcription of the said notes and the whole thereof.

Adela F. Felic

Reporter
PUBLIC SERVICE COMMISSION OF WISCONSIN